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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

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### A NEW UTAH RECORD FOR OIL AND GAS DRILLING

(Salt Lake City, Utah) -- The drilling rig count for oil and gas drilling activity reached new heights in Utah within the past two weeks. Baker Hughes, a global oil field service company that tracks oil field activity, reports 50 rigs running in Utah for the weeks ending August 15<sup>th</sup> and 22<sup>nd</sup>. That represents the highest number of active rigs in the state dating to at least 1987, which is as far back as compiled data is available.

Rig count is an important business barometer for the drilling industry and its suppliers because when rigs are working they consume products and services provided by the oil services sector.

"Compared to the previous year the Division of Oil, Gas and Mining has been processing fewer applications to drill," said Gil Hunt, associate director for oil and gas. "But, the high rig count shows operators are aggressively developing existing leases by drilling, as permits, equipment, and qualified workers become available."

Statistics compiled by the Division of Oil, Gas and Mining also show an increase in the production of crude oil and natural gas, which is further evidence that operators are stepping up activity in an attempt to meet demand. "One of the fundamental concepts of economics is the law of supply and demand," added Hunt. "I think we're witnessing that in action."

The Utah Division of Oil, Gas and Mining regulates and ensures industry compliance and site restoration while facilitating oil, gas and mining activities. For additional information about division programs and activities go to [www.ogm.utah.gov](http://www.ogm.utah.gov).

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